



1 "SECTION 2. AMENDATORY 17 O.S. 2011, Section 139.101, is  
2 amended to read as follows:

3 Section 139.101. ~~Sections 139.101 through 139.109 and Section 3~~  
4 ~~of this~~ This act shall be known and may be cited as the "Oklahoma  
5 Telecommunications Act of 1997".

6 SECTION 3. AMENDATORY 17 O.S. 2011, Section 139.102, as  
7 last amended by Section 1, Chapter 245, O.S.L. 2014 (17 O.S. Supp.  
8 2015, Section 139.102), is amended to read as follows:

9 Section 139.102. As used in the Oklahoma Telecommunications Act  
10 of 1997:

11 1. "Access line" means the ~~facility~~ facilities provided and  
12 maintained by a telecommunications service provider which ~~permits~~  
13 permit access to or from the public switched network or its  
14 functional equivalent regardless of the technology or medium used;

15 2. "Administrative process" means an administrative application  
16 process which allows eligible providers to request funding and an  
17 administrative submission process that allows Oklahoma Universal  
18 Service Fund Beneficiaries to submit a preapproval request directly  
19 with the Administrator. Neither administrative process shall  
20 require an order from the Commission to determine eligibility for,  
21 allocate or disburse funds unless a request for reconsideration is  
22 filed;

23 3. "Administrator" means the Director of the Public Utility  
24 Division of the Corporation Commission;

1        4. "Commission" means the Corporation Commission of this state;

2        ~~3.~~ 5. "Competitive local exchange carrier" or "CLEC" means,  
3 with respect to an area or exchange, a telecommunications service  
4 provider that is certificated by the Commission to provide local  
5 exchange services in that area or exchange within the state after  
6 July 1, 1995;

7        ~~4.~~ 6. "Competitively neutral" means not advantaging or favoring  
8 one person or technology over another;

9        ~~5.~~ 7. "Consortium" means, as used in Section 6 of this act, two  
10 or more Oklahoma Universal Service Fund Beneficiaries that choose to  
11 request support under the Federal Universal Service Support  
12 Mechanism or successor program or programs as a single entity;

13        8. "Contributing provider" means an entity that provides  
14 intrastate telecommunications to the public or to such classes of  
15 users as to be effectively available to the public for a fee. A  
16 contributing provider shall contribute to the Oklahoma Universal  
17 Service Fund and Oklahoma Lifeline Fund. Certain other providers of  
18 intrastate telecommunications, providers of intrastate  
19 telecommunications for a fee on a non-common-carrier basis and  
20 interconnected Voice over Internet Protocol (VoIP) providers shall  
21 contribute to the Oklahoma Universal Service Fund and Oklahoma  
22 Lifeline Fund and shall be assessed only as provided for in the  
23 decision of the Federal Communications Commission, FCC 10-185, which  
24 was released November 5, 2010, or such other assessment methodology

1 that is not inconsistent with federal law. Entities exempt from  
2 contributing to the Federal Universal Service Support Mechanisms are  
3 also exempt from contributing to the Oklahoma Universal Service Fund  
4 and Oklahoma Lifeline Fund consistent with 47 C.F.R., Section  
5 54.706(d). If the Federal Communications Commission (FCC) expands  
6 the contributors to the Federal Universal Service Support Mechanism  
7 the term "contributing providers" shall be modified to conform to  
8 the definition of contributors as defined by the FCC if adopted by  
9 the Commission, after notice and hearing;

10 9. "Eligible healthcare entity" means a not-for-profit  
11 hospital, county health department, city-county health department,  
12 not-for-profit mental health and substance abuse facility or  
13 Federally Qualified Health Center in Oklahoma. Eligible healthcare  
14 entity shall also include telemedicine services provided by the  
15 Oklahoma Department of Corrections at facilities identified in  
16 Section 509 of Title 57 of the Oklahoma Statutes;

17 10. "Eligible provider" means, for purposes of Special  
18 Universal Services, providers of telecommunications services which  
19 hold a certificate of convenience and necessity and the  
20 telecommunications network known as OneNet;

21 11. "End User Common Line Charge" means the flat-rate monthly  
22 interstate access charge required by the Federal Communications  
23 Commission that contributes to the cost of local service;  
24

1       ~~6.~~ 12. "Enhanced service" means a service that is delivered  
2 over communications transmission facilities and that uses computer  
3 processing applications to:

- 4           a.    change the content, format, code, or protocol of
- 5                    transmitted information,
- 6           b.    provide the customer new or restructured information,
- 7                    or
- 8           c.    involve end-user interaction with information stored
- 9                    in a computer;

10       ~~7.~~ 13. "Exchange" means a geographic area established by an  
11 incumbent local exchange telecommunications provider as filed with  
12 or approved by the Commission for the administration of local  
13 telecommunications service in a specified area which usually  
14 embraces a city, town, or village and its environs and which may  
15 consist of one or more central offices together with associated  
16 plant used in furnishing telecommunications service in that area;

17       ~~8.~~ 14. "Facilities" means all the plant and equipment of a  
18 telecommunications service provider, including all tangible and  
19 intangible real and personal property without limitation, and any  
20 and all means and instrumentalities in any manner owned, operated,  
21 leased, licensed, used, controlled, furnished, or supplied for, by,  
22 or in connection with the ~~regulated~~ business of any  
23 telecommunications service provider;

1        ~~9.~~ 15. "Federally Qualified Health Center (FQHC)" means an  
2 entity which:

3            a. is receiving a grant under Section 330 of the Public  
4 Health Service (PHS) Act, 42 U.S.C., Section 254b, or  
5 is receiving funding from a grant under a contract  
6 with the recipient of such a grant and meets the  
7 requirements to receive a grant under Section 330 of  
8 the PHS Act,

9            b. based on the recommendation of the Health Resources  
10 and Services Administration within the Public Health  
11 Service, is determined by the Secretary of the  
12 Department of Health and Human Services to meet the  
13 requirements for receiving a grant as described in  
14 subparagraph a of this paragraph,

15            c. was treated by the Secretary of the Department of  
16 Health and Human Services, for purposes of part B of  
17 Section 330 of the PHS Act, as a comprehensive  
18 federally funded health center as of January 1, 1990,  
19 or

20            d. is an outpatient health program or facility operated  
21 by a tribe or tribal organization under the Indian  
22 Self-Determination Act, 25 U.S.C., Section 450f et  
23 seq., or by an urban Indian organization receiving  
24

1           funds under Title V of the Indian Health Care  
2           Improvement Act, 25 U.S.C., Section 1651 et seq.;

3           16. "Federal Universal Service Support Mechanism" is the  
4 support program established by the Telecommunications Act of 1996,  
5 47 U.S.C., Section 254(h). The program includes support for  
6 schools, libraries and healthcare providers;

7           17. "Funding year" means for purposes of administering the  
8 Oklahoma Universal Service Fund, the period of July 1 through June  
9 30;

10          18. "High speed Internet access service" or "broadband service"  
11 means, as used in Section 139.110 of this title, those services and  
12 underlying facilities that provide upstream, from customer to  
13 provider, or downstream, from provider to customer, transmission to  
14 or from the Internet in excess of one hundred fifty (150) kilobits  
15 per second, regardless of the technology or medium used including,  
16 but not limited to, wireless, copper wire, fiber optic cable, or  
17 coaxial cable, to provide such service;

18          ~~10.~~ 19. "Hospital" means a healthcare entity that has been  
19 granted a license as a hospital by the Oklahoma Department of Health  
20 for that particular location;

21          ~~11.~~ 20. "Incumbent local exchange telecommunications service  
22 provider" or "ILEC" means, with respect to an area or exchanges, any  
23 telecommunications service provider furnishing local exchange  
24 service in such area or exchanges within this state on July 1, 1995,

1 pursuant to a certificate of convenience and necessity or  
2 grandfathered authority;

3 ~~12.~~ 21. "Installation charge" means any charge for a  
4 nonrecurring service charged by an eligible provider necessary to  
5 initiate Special Universal Services. Installation charges may not  
6 exceed the cost which would be charged for installation if the cost  
7 were not being paid for by the OUSF;

8 22. "Interexchange telecommunications carrier" or "IXC" means  
9 any person, firm, partnership, corporation or other entity, except  
10 an incumbent local exchange telecommunications service provider,  
11 engaged in furnishing regulated interexchange telecommunications  
12 services under the jurisdiction of the Commission;

13 ~~13.~~ 23. "Internet" means the international research-oriented  
14 network comprised of business, government, academic and other  
15 networks;

16 ~~14.~~ 24. "Local exchange telecommunications service" means a  
17 regulated switched or dedicated telecommunications service which  
18 originates and terminates within an exchange or an exchange service  
19 territory. Local exchange telecommunications service may be  
20 terminated by a telecommunications service provider other than the  
21 telecommunications service provider on whose network the call  
22 originated. The local exchange service territory defined in the  
23 originating provider's tariff shall determine whether the call is  
24 local exchange service;

1       ~~15.~~ 25. "Local exchange telecommunications service provider"  
2 means a company holding a certificate of convenience and necessity  
3 from the Commission to provide local exchange telecommunications  
4 service;

5       ~~16.~~ 26. "Not-for-profit hospital" means:

- 6           a. a hospital located in this state which has been  
7           licensed as a hospital at that location pursuant to  
8           Section 1-701 et seq. of Title 63 of the Oklahoma  
9           Statutes for the diagnosis, treatment, or care of  
10          patients in order to obtain medical care, surgical  
11          care or obstetrical care and which is established as  
12          exempt from taxation pursuant to the provisions of the  
13          Internal Revenue Code, 26 U.S.C., Section 501(c)(3),  
14          or  
15          b. a hospital located in this state which is licensed as  
16          a hospital at that location pursuant to Section 1-701  
17          et seq. of Title 63 of the Oklahoma Statutes and is  
18          owned by a municipality, county, the state or a public  
19          trust for the diagnosis, treatment, or care of  
20          patients in order to obtain medical care, surgical  
21          care, or obstetrical care;

22       ~~17.~~ 27. "Not-for-profit mental health and substance abuse  
23 facility" means a facility, which is not a facility with the sole  
24 purpose of administration, operated by the Department of Mental

1 Health and Substance Abuse Services or a facility certified by the  
2 Department of Mental Health and Substance Abuse Services as a  
3 Community Mental Health Care Center, a Community-Based Structured  
4 Crisis Center or a Community Comprehensive Addiction Recovery  
5 Center;

6 ~~18.~~ 28. "Oklahoma High Cost Fund" means the fund established by  
7 the Commission in Cause Nos. PUD 950000117 and 950000119;

8 ~~19.~~ 29. "Oklahoma Lifeline Fund" or "(OLF)" means the fund  
9 established and required to be implemented by the Commission  
10 pursuant to Section 139.105 of this title;

11 ~~20.~~ 30. "Oklahoma Universal Service Fund" or "(OUSF)" means the  
12 fund established and required to be implemented by the Commission  
13 pursuant to Section 139.106 of this title;

14 ~~21.~~ 31. "Oklahoma Universal Service Fund Beneficiary" means an  
15 entity eligible to receive Special Universal Services support as  
16 provided for in subsection A of Section 6 of this act;

17 32. "Prediscount amount" means the total cost of Special  
18 Universal Services selected pursuant to the procedures set out in  
19 subparagraph 5 of subsection B of Section 6 of this act before  
20 charges are reduced by federal or state funding support. The  
21 prediscount amount shall not include fees or taxes;

22 33. "Person" means any individual, partnership, association,  
23 corporation, governmental entity, public or private organization of  
24 any character, or any other entity;

1       ~~22.~~ 34. "Primary universal service" means an access line and  
2 dial tone provided to the premises of residential or business  
3 customers which provides access to other lines for the transmission  
4 of two-way switched or dedicated communication in the local calling  
5 area without additional, usage-sensitive charges, including:

- 6           a. a primary directory listing,
- 7           b. dual-tone multifrequency signaling,
- 8           c. access to operator services,
- 9           d. access to directory assistance services,
- 10          e. access to telecommunications relay services for the  
11            deaf or hard-of-hearing,
- 12          f. access to nine-one-one service where provided by a  
13            local governmental authority or multijurisdictional  
14            authority, and
- 15          g. access to interexchange long distance services;

16       ~~23.~~ 35. "Public library" means a library or library system that  
17 is freely open to all persons under identical conditions and which  
18 is supported in whole or in part by public funds. Public library  
19 shall not include libraries operated as part of any university,  
20 college, school museum, the Oklahoma Historical Society or county  
21 law libraries;

22       ~~24.~~ 36. "Public school" means all free schools supported by  
23 public taxation, and shall include grades prekindergarten through  
24 twelve and technology center schools that provide vocational and

1 technical instruction for high school students who attend the  
2 technology center school on a tuition-free basis. Public school  
3 shall not include private schools, home schools or virtual schools;

4 ~~25.~~ 37. "Regulated telecommunications service" means the  
5 offering of telecommunications for a fee directly to the public  
6 where the rates for such service are regulated by the Commission.  
7 Regulated telecommunications service does not include the provision  
8 of nontelecommunications services, including, but not limited to,  
9 the printing, distribution, or sale of advertising in telephone  
10 directories, maintenance of inside wire, customer premises  
11 equipment, and billing and collection service, nor does it include  
12 the provision of wireless telephone service, enhanced service, and  
13 other unregulated services, including services not under the  
14 jurisdiction of the Commission, and services determined by the  
15 Commission to be competitive;

16 ~~26.~~ 38. "Special Universal Services" means the  
17 telecommunications services supported by the OUSF which are  
18 furnished to public schools, public libraries, ~~not-for-profit~~  
19 ~~hospitals and county seats~~ eligible health care entities as provided  
20 for in Section ~~139.109~~ 6 of this ~~title~~ act;

21 ~~27.~~ 39. "Tariff" means all or any part of the body of rates,  
22 tolls, charges, classifications, and terms and conditions of service  
23 relating to regulated services offered, the conditions under which  
24

1 offered, and the charges therefor, which have been filed with the  
2 Commission and have become effective;

3 ~~28.~~ 40. "Telecommunications" means the transmission, between or  
4 among points specified by the user, of ~~voice or data~~ information of  
5 the user's choosing, without change in the form or content of the  
6 information as sent and received;

7 ~~29.~~ 41. "Telecommunications carrier" means a person that  
8 provides telecommunications service in this state;

9 ~~30.~~ 42. "Telecommunications service" means the offering of  
10 telecommunications for a fee;

11 ~~31.~~ 43. "Telemedicine service" means the practice of health  
12 care delivery, diagnosis, consultation and treatment including but  
13 not limited to the transfer of medical data or exchange of medical  
14 education information by means of audio, video or data  
15 communications. Telemedicine service shall not mean a consultation  
16 provided by telephone or facsimile machine;

17 44. "Universal service area" has the same meaning as the term  
18 "service area" as defined in 47 U.S.C., Section 214(e)(5); ~~and~~

19 ~~32.~~ 45. "WAN" means a wide-area network that exists over a  
20 large-scale geographical area. A WAN connects different smaller  
21 networks, including local area networks and metro area networks,  
22 which ensures that computers and users in one location can  
23 communicate with computers and users in other locations;  
24

1       46. "Wire center" means a geographic area normally served by a  
2 central office; and

3       47. "Wireless telephone service" means radio communication  
4 service carried on between mobile stations or receivers and land  
5 stations and by mobile stations communicating among themselves and  
6 which permits a user generally to receive a call that originates or  
7 terminates on the public switched network or its functional  
8 equivalent regardless of the radio frequencies used.

9       SECTION 4.       AMENDATORY       17 O.S. 2011, Section 139.106, is  
10 amended to read as follows:

11       Section 139.106. A. There is hereby created within the  
12 Corporation Commission the "Oklahoma Universal Service Fund" (OUSF).  
13 Not later than January 31, 1998, the Corporation Commission shall  
14 promulgate rules implementing the OUSF so that, consistent with the  
15 provisions of this section, funds can be made available to eligible  
16 local exchange telecommunications service providers.

17       B. The fund shall be funded and administered to promote and  
18 ensure the availability of primary universal services, at rates that  
19 are reasonable and affordable and ~~special universal services~~ Special  
20 Universal Services, and to provide for reasonably comparable  
21 services at affordable rates in rural areas as in urban areas. The  
22 OUSF shall provide funding to local exchange telecommunications  
23 service providers that meet the eligibility criteria established in  
24 this section.

1 C. The OUSF shall be funded by a charge paid by all  
2 ~~telecommunications carriers~~ contributing providers as provided for  
3 in Section 7 139.107 of this ~~act~~ title, at a level sufficient to  
4 maintain universal service.

5 D. 1. The procedure for eligible providers to seek and obtain  
6 OUSF and Oklahoma Lifeline Fund (OLF) funding shall be as set forth  
7 in this subsection.

8 2. Within ninety (90) days after receipt of a request for funds  
9 from an eligible provider, the Administrator ~~designated~~ as defined  
10 pursuant to Section 7 139.102 of this ~~act~~ title shall independently  
11 review and determine the accuracy of the request and advise the  
12 provider requesting the funds of the determination of eligibility  
13 made by the Administrator. ~~Any affected party shall have fifteen~~  
14 ~~(15) days to request reconsideration by the Commission of the~~  
15 ~~determination made by the Administrator. If the Commission does not~~  
16 ~~issue an order within thirty (30) days from the request for~~  
17 ~~reconsideration, the request shall be deemed approved, on an interim~~  
18 ~~basis, subject to refund with interest. Any refund shall include~~  
19 ~~interest at a rate of not more than the interest rate established by~~  
20 ~~the Commission on customer deposits and shall accrue for a period~~  
21 ~~not to exceed ninety (90) days from the date the funds were received~~  
22 ~~by the requesting eligible provider~~ The determination shall detail  
23 the amount of funding recoverable from the OUSF and OLF. Failure by  
24 the Administrator to issue a determination means the request for

1 OUSF or OLF reimbursement is deemed approved on a permanent basis  
2 and funding shall be paid within thirty (30) days. If a request for  
3 reconsideration of the determination of the Administrator is not  
4 filed as provided for in paragraph 5 of this subsection, the  
5 determination shall be deemed final on the sixteenth day following  
6 the date of the determination. The OUSF funding as provided in the  
7 determination of the Administrator shall be paid to the eligible  
8 provider on the next scheduled payout date without an order of the  
9 Commission.

10 3. For requests seeking OUSF funds pursuant to Section 6 of  
11 this act, provided that an OUSF approval funding letter has been  
12 issued as otherwise provided for in the Oklahoma Telecommunications  
13 Act of 1997, the eligible provider shall, within sixty (60) days of  
14 the start of service, submit to the Administrator a request for  
15 reimbursement from the OUSF. The Administrator shall have sixty  
16 (60) days to issue a determination to the Oklahoma Universal Service  
17 Fund Beneficiary and eligible provider detailing the amount of  
18 funding recoverable from the OUSF. Failure by the Administrator to  
19 issue a determination within the sixty-day period means the request  
20 for OUSF reimbursement is approved as submitted. The determination  
21 shall detail the amount of funding recoverable from the OUSF.  
22 Failure by the Administrator to issue a determination shall mean the  
23 request for OUSF reimbursement is deemed approved on a permanent  
24 basis and funding shall be paid within thirty (30) days. If a

1 request for reconsideration of the determination of the  
2 Administrator is not filed as provided for in paragraph 5 of this  
3 subsection, the determination shall be deemed final on the sixteenth  
4 day following the date of the determination. The OUSF funding as  
5 provided in the determination of the Administrator shall be paid to  
6 the eligible provider on the next scheduled payout date without an  
7 order of the Commission.

8 4. A request for reimbursement as provided for in paragraph 3  
9 of this subsection shall be in the form as determined by the  
10 Administrator. The form shall be posted by the Administrator no  
11 later than one hundred twenty (120) days prior to the start of the  
12 funding year to become effective July 1 for reimbursement requests  
13 submitted for eligible services provided during the funding year.  
14 Any party may file an objection to a posted form with the Commission  
15 within fifteen (15) days of the posting. The Commission shall have  
16 thirty (30) days to issue a final order on the objection to the  
17 form. If the Commission does not issue a final order on the  
18 objection within thirty (30) days, the objection shall be deemed  
19 approved.

20 5. Any affected party, meaning the eligible provider, any  
21 service provider that pays into the OUSF, the Oklahoma Universal  
22 Service Fund Beneficiary or the Attorney General, shall have fifteen  
23 (15) days to file a request for reconsideration by the Commission of  
24 the determination made by the Administrator. If the Commission does

1 not issue a final order within thirty (30) days from the date the  
2 request for reconsideration is filed, the request shall be deemed  
3 approved on an interim basis subject to refund with interest. The  
4 interest rate on a refund shall be at a rate of not more than the  
5 interest rate established by the Commission on customer deposits and  
6 shall accrue for a period not to exceed ninety (90) days from the  
7 date the funds were received by the requesting eligible provider.  
8 If the Commission does not issue a final order within one hundred  
9 twenty (120) days of the filing of the request for reconsideration,  
10 then the request for OUSF or OLF funding as filed shall be deemed  
11 approved on a permanent basis without order of the Commission and  
12 the OUSF and OLF funding shall be paid within thirty (30) days.

13 6. The term "final order" as used in this subsection shall mean  
14 an order which resolves all issues associated with the request for  
15 OUSF or OLF funding.

16 E. Telecommunications carriers may, at their option, recover  
17 from their retail customers the OUSF charges paid by the  
18 telecommunications carrier. The OUSF charges shall not be subject  
19 to state or local taxes or franchise fees.

20 F. The Commission shall not, prior to implementation and the  
21 availability of funds from the OUSF, require local exchange  
22 telecommunications service providers to reduce rates for intrastate  
23 access services.

24

1 G. Any eligible local exchange telecommunications service  
2 provider may request funding from the OUSF as necessary to maintain  
3 rates for primary universal services that are reasonable and  
4 affordable. OUSF funding shall be provided to eligible local  
5 exchange telecommunications service providers for the following:

6 1. To reimburse eligible local exchange telecommunications  
7 service providers for the reasonable investments and expenses not  
8 recovered from the federal universal service fund or any other state  
9 or federal government fund incurred in providing universal services;

10 2. Infrastructure expenditures or costs incurred in response to  
11 facility or service requirements established by a legislative,  
12 regulatory, or judicial authority or other governmental entity  
13 mandate;

14 3. For reimbursement of the Lifeline Service Program credits as  
15 set forth in Section ~~5~~ 139.105 of this ~~act~~ title;

16 4. To reimburse eligible local exchange telecommunications  
17 service providers for providing the Special Universal Services as  
18 set forth in ~~subsection C of~~ Section ~~9~~ 6 of this act;

19 5. To defray the costs of administering the OUSF, including the  
20 costs of administration, processing, and an annual independent  
21 audit, if. The annual audit shall not be performed by the  
22 Commission staff; and

23 6. For other purposes deemed necessary by the Commission to  
24 preserve and advance universal service.

1 H. In identifying and measuring the costs of providing primary  
2 universal services, exclusively for the purpose of determining OUSF  
3 funding levels under this section, the eligible local exchange  
4 telecommunications service provider serving less than seventy-five  
5 thousand access lines shall, at its option:

6 1. Calculate such costs by including all embedded investments  
7 and expenses incurred by the eligible local exchange  
8 telecommunications service provider in the provision of primary  
9 universal service, and may identify high-cost areas within the local  
10 exchange area it serves and perform a fully distributed allocation  
11 of embedded costs and identification of associated primary universal  
12 service revenue. Such calculation may be made using fully  
13 distributed Federal Communications Commission parts 32, 36 and 64  
14 costs, if such parts are applicable. The high-cost area shall be no  
15 smaller than a single exchange, wire center, or census block group,  
16 chosen at the option of the eligible local exchange  
17 telecommunications service provider; or

18 2. Adopt the cost studies approved by the Commission for a  
19 local exchange telecommunications service provider that serves  
20 seventy-five thousand or more access lines; or

21 3. Adopt such other costing or measurement methodology as may  
22 be established for such purpose by the Federal Communications  
23 Commission pursuant to Section 254 of the federal Telecommunications  
24 Act of 1996.

1 I. In identifying and measuring the cost of providing primary  
2 universal services, and exclusively for the purpose of determining  
3 OUSF funding levels pursuant to this section, each ILEC which serves  
4 seventy-five thousand or more access lines and each CLEC shall  
5 identify high-cost areas within the local exchange and perform a  
6 cost study using a Commission-approved methodology from those  
7 identified in subsection H of this section. The high-cost area  
8 shall be no smaller than a single exchange, wire center or census  
9 block group chosen at the option of the eligible ILEC or CLEC. If  
10 the Commission fails to approve the selected methodology within one  
11 hundred twenty (120) days of the filing of the selection, the  
12 selected methodology shall be deemed approved.

13 J. The Commission may by rule expand primary universal services  
14 to be supported by the OUSF, after notice and hearing. The  
15 Administrator, upon approval of the Commission, shall determine the  
16 level of additional OUSF funding to be made available to an eligible  
17 local exchange telecommunications service provider which is required  
18 to recover the cost of any expansion of universal services.

19 K. 1. Each request for OUSF funding by an eligible ILEC  
20 serving less than seventy-five thousand access lines shall be  
21 premised upon the occurrence of one or more of the following:

22 a. in the event of a Federal Communications Commission  
23 order, rule or policy, the effect of which is to  
24 decrease the federal universal service fund revenues

1 of an eligible local exchange telecommunications  
2 service provider, the eligible local exchange  
3 telecommunications service provider shall recover the  
4 decreases in revenues from the OUSF,

5 b. if, as a result of changes required by existing or  
6 future federal or state regulatory rules, orders, or  
7 policies or by federal or state law, an eligible local  
8 exchange telecommunications service provider  
9 experiences a reduction in revenues or an increase in  
10 costs, it shall recover the revenue reductions or cost  
11 increases from the OUSF, the recovered amounts being  
12 limited to the net reduction in revenues or cost  
13 increases, or

14 c. if, as a result of changes made as required by  
15 existing or future federal or state regulatory rules,  
16 orders, or policies or by federal or state law, an  
17 eligible local exchange telecommunications service  
18 provider experiences a reduction in costs, upon  
19 approval by the Commission, the provider shall reduce  
20 the level of OUSF funding it receives to a level  
21 sufficient to account for the reduction in costs.

22 2. The receipt of OUSF funds for any of the changes referred to  
23 in this subsection shall not be conditioned upon any rate case or  
24 earnings investigation by the Commission. The Commission shall,

1 pursuant to subsection D of this section, approve the request for  
2 payment or adjustment of payment from the OUSF based on a comparison  
3 of the total annual revenues received from the sources affected by  
4 the changes described in paragraph 1 of this subsection by the  
5 requesting eligible local exchange telecommunications service  
6 provider during the most recent twelve (12) months preceding the  
7 request, and the reasonable calculation of total annual revenues or  
8 cost increases which will be experienced after the changes are  
9 implemented by the requesting eligible local exchange  
10 telecommunications service provider.

11 L. Upon request for OUSF funding by an ILEC serving seventy-  
12 five thousand or more access lines or a CLEC, the Commission shall  
13 after notice and hearing make a determination of the level of OUSF  
14 funds, if any, that the provider is eligible to receive for the  
15 purposes contained in subsection K of this section. If the  
16 Commission fails to make a determination within one hundred twenty  
17 (120) days of the filing of the request, the request for funding  
18 shall be deemed approved. Providers who are not prohibited from  
19 applying for OUSF funds as set forth in Section ~~9~~ 6 of this act  
20 shall receive funding for any ~~special universal services~~ Special  
21 Universal Services provided ~~and contributions made to the Oklahoma~~  
22 ~~E911 Emergency Service Fund and the Oklahoma Telecommunications~~  
23 ~~Technology Training Fund from the OUSF~~ without a hearing.

24

1 M. The incumbent local exchange telecommunications service  
2 provider, its successors and assigns, which owned, maintained and  
3 provided facilities for universal service within a local exchange  
4 area on January 1, 1996, shall be the local exchange  
5 telecommunications service provider eligible for OUSF funding within  
6 the local exchange area, except as otherwise provided for in this  
7 act.

8 N. 1. Where the incumbent local exchange telecommunications  
9 service provider receives or is eligible to receive monies from the  
10 OUSF, except as otherwise provided in this section, the Commission,  
11 after notice and hearing, may designate other local exchange  
12 telecommunications service providers to be eligible for the funding,  
13 provided:

14 a. the other local exchange telecommunications service  
15 provider is certificated by the Commission to provide  
16 and offers the primary universal services supported by  
17 the OUSF to all customers in the universal service  
18 area designated by the Commission, using its own  
19 facilities, or a combination of its own facilities and  
20 the resale of the services or facilities of another.  
21 Universal service support under this subsection shall  
22 not begin until the other local exchange  
23 telecommunications service provider has facilities in  
24 place,

- 1           b.    the other local exchange telecommunications service  
2                    provider may only receive funding for the portion of  
3                    the facilities that it owns, maintains, and uses for  
4                    regulated services,
- 5           c.    the other local exchange telecommunications service  
6                    provider shall not receive OUSF funding at a level  
7                    higher than the level of funding the incumbent local  
8                    exchange telecommunications service provider is  
9                    eligible to receive for the same area if the incumbent  
10                  local exchange telecommunications service provider is  
11                  also providing service in the same area; provided, the  
12                  cost of any cost studies required to be performed  
13                  shall be borne by the party requesting such studies,  
14                  unless the party performing the study utilizes the  
15                  study for its own benefit,
- 16          d.    the other local exchange telecommunications service  
17                    provider advertises the availability and charges for  
18                    services it provides through a medium of general  
19                    distribution, and
- 20          e.    it is determined by the Commission that the  
21                    designation is in the public interest and the other  
22                    local exchange telecommunications service provider is  
23                    in compliance with all Commission rules for which a  
24                    waiver has not been granted.

1           2. Notwithstanding the criteria set forth in this section for  
2 designation as an eligible local exchange telecommunications service  
3 provider, a commercial mobile radio service provider may, after  
4 notice and hearing, seek reimbursement from the OUSF for the  
5 provision of services supported by the OUSF, and any  
6 telecommunications carrier may seek reimbursement from the OUSF for  
7 the provision of Lifeline Service consistent with Section ~~5~~ 139.105  
8 of this ~~act~~ title and for the provision of Special Universal  
9 Services consistent with Section ~~9~~ 6 of this act.

10           O. In exchanges or wire centers where the Commission has  
11 designated more than one local exchange telecommunications service  
12 provider as eligible for OUSF funding, the Commission shall permit  
13 one or more of the local exchange telecommunications service  
14 providers in the area to relinquish the designation as a local  
15 exchange telecommunications service provider eligible for OUSF  
16 funding in a manner consistent with Section 214(e)(4) of the federal  
17 Telecommunications Act of 1996, upon a finding that at least one  
18 eligible local exchange telecommunications service provider shall  
19 continue to assume the carrier-of-last-resort obligations throughout  
20 the area.

21           P. For any area served by an incumbent local exchange  
22 telecommunications service provider which serves less than seventy-  
23 five thousand access lines within the state, only the incumbent  
24

1 local exchange telecommunications service provider shall be eligible  
2 for OUSF funding except:

3 1. Other eligible telecommunications carriers which provide  
4 Special Universal Services or Lifeline Service shall be eligible to  
5 request and receive OUSF funds in the same manner as the incumbent  
6 local exchange telecommunications service provider in the same area  
7 pursuant to ~~this act~~ the Oklahoma Telecommunications Act of 1997;

8 2. The incumbent local exchange telecommunications service  
9 provider may elect to waive the right to be the only eligible local  
10 exchange telecommunications service provider within the local  
11 exchange area by filing notice with the Commission; or

12 3. When the Commission, after notice and hearing, makes a  
13 determination that it is in the public interest that another local  
14 exchange telecommunications service provider should also be deemed a  
15 carrier of last resort and be eligible to receive OUSF funding in  
16 addition to the incumbent local exchange telecommunications service  
17 provider. It shall not be in the public interest to designate  
18 another local exchange telecommunications service provider as being  
19 a carrier of last resort and eligible to receive OUSF funding if  
20 such designation would cause a significant adverse economic impact  
21 on users of telecommunications services generally or if the other  
22 carrier refuses to seek and accept carrier-of-last-resort  
23 obligations throughout the universal service area as designated by  
24 the Commission. The other local exchange telecommunications service

1 provider shall not receive OUSF funding at a level higher than the  
2 level of funding the incumbent local exchange telecommunications  
3 service provider is eligible to receive for the same area if the  
4 incumbent local exchange telecommunications service provider is also  
5 providing service in the same area and the other local exchange  
6 telecommunications service provider meets the requirements of  
7 subparagraphs a, b, d and e of paragraph 1 of subsection N of this  
8 section.

9 SECTION 5. AMENDATORY 17 O.S. 2011, Section 139.107, is  
10 amended to read as follows:

11 Section 139.107. A. The Oklahoma Lifeline Fund (OLF) and the  
12 Oklahoma Universal Service Fund (OUSF) shall be funded in a  
13 competitively neutral manner not inconsistent with federal law by  
14 all ~~telecommunications carriers~~ contributing providers. The funding  
15 from each ~~carrier~~ contributing provider shall be based on the total  
16 ~~retail-billed intrastate retail~~ Oklahoma Voice over Internet  
17 Protocol (VoIP) revenues and intrastate telecommunications revenues,  
18 from both regulated and unregulated services, of the  
19 ~~telecommunications carrier~~ contributing provider, hereinafter  
20 referred to as assessed revenues, as a percentage of all  
21 ~~telecommunications carriers' total retail-billed intrastate~~  
22 ~~telecommunications~~ assessed revenues of the contributing providers,  
23 ~~from both regulated and unregulated services~~ or such other  
24 assessment methodology as may be allowed under federal law. VoIP

1 services shall be assessed only as provided for in the decision of  
2 the Federal Communications Commission, FCC 10-185, released November  
3 5, 2010, or such other assessment methodology that is not  
4 inconsistent with federal law. The Commission may after notice and  
5 hearing modify the contribution methodology for the OUSF and OLF,  
6 provided the new methodology is not inconsistent with federal law.

7 B. The Corporation Commission shall establish the ~~Oklahoma~~  
8 ~~Lifeline Fund charges~~ OLF assessment and the ~~Oklahoma Universal~~  
9 ~~Service Fund charges~~ OUSF assessment at a level sufficient to  
10 recover costs of administration and payments for OUSF and OLF  
11 requests for funding as provided for in the Oklahoma  
12 Telecommunications Act of 1997. The Commission shall provide for  
13 administration of the ~~two funds by Commission employees or~~ OLF and  
14 OUSF shall be provided by contracting for such services with a party  
15 having no conflicting interest in the provision of  
16 ~~telecommunications services~~ the Public Utility Division of the  
17 Commission. The administrative function shall be headed by an the  
18 Administrator as defined in Section 139.102 of this title. The  
19 Administrator shall be an independent evaluator. The Administrator  
20 may enter into contracts to assist with the administration of the  
21 OLF and OUSF.

22 C. If the Commission determines after notice and hearing that a  
23 ~~telecommunications carrier~~ contributing provider has acted in  
24 violation of this section, in addition to the other enforcement

1 powers of the Commission, including its contempt powers and  
2 authority to revoke a telecommunications service provider's  
3 certificate of convenience and necessity, the Commission may bring  
4 an action on behalf of the ~~Oklahoma Lifeline Fund~~ OLF or the  
5 ~~Oklahoma Universal Service Fund~~ OUSF, in the district a court of  
6 competent jurisdiction that the Commission deems appropriate, to  
7 recover any unpaid fees and ~~charges~~ assessments the Commission has  
8 determined are due and payable, including interest, administrative  
9 and adjudicative costs, and attorney fees. Upon collection of the  
10 ~~charges~~ assessments, fees and costs, the Administrator shall pay the  
11 costs of the actions and deposit the remaining funds in the ~~Oklahoma~~  
12 ~~Lifeline Fund~~ OLF or the ~~Oklahoma Universal Service Fund~~ OUSF as  
13 appropriate.

14 D. The monies deposited in the ~~Oklahoma Lifeline Fund~~ OLF, the  
15 ~~Oklahoma Universal Service Fund~~ OUSF and the Oklahoma High Cost Fund  
16 shall at no time become monies of the state and shall not become  
17 part of the general budget of the Corporation Commission or any  
18 other state agency. Except as otherwise authorized by ~~this act~~ the  
19 Oklahoma Telecommunications Act of 1997, no monies from the ~~Oklahoma~~  
20 ~~Lifeline Fund~~ OLF, the ~~Oklahoma Universal Service Fund~~ OUSF, or the  
21 Oklahoma High Cost Fund shall be transferred for any purpose to any  
22 other state agency or any account of the Corporation Commission or  
23 be used for the purpose of contracting with any other state agency  
24 or reimbursing any other state agency for any expense. Payments

1 from the ~~Oklahoma Lifeline Fund~~ OLF, the ~~Oklahoma Universal Service~~  
2 ~~Fund~~ OUSF, and the Oklahoma High Cost Fund shall not become or be  
3 construed to be an obligation of this state. No claims for  
4 reimbursement from the ~~Oklahoma Lifeline Fund~~ OLF, the ~~Oklahoma~~  
5 ~~Universal Service Fund~~ OUSF or the Oklahoma High Cost Fund shall be  
6 paid with state monies.

7 SECTION 6. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 139.109.1 of Title 17, unless  
9 there is created a duplication in numbering, reads as follows:

10 A. The following services are hereby declared to be Special  
11 Universal Services:

12 1. Each eligible healthcare entity in this state as defined in  
13 Section 139.102 of this title shall be eligible to receive Special  
14 Universal Services for telemedicine providers. Special Universal  
15 Services for telemedicine providers shall include the provision of  
16 bandwidth per standards as recommended by the Federal Communications  
17 Commission sufficient for providing telemedicine services including  
18 the telemedicine line, reasonable installation and network  
19 termination equipment owned and operated by the eligible provider  
20 that is necessary to provide the eligible service;

21 2. Each public school as defined in Section 139.102 of this  
22 title shall be eligible to receive Special Universal Services for  
23 schools. Special Universal Services for schools shall include the  
24 E-rate Eligible Services List (ESL) for Category One services as

1 determined by the Federal Communications Commission (FCC) for the  
2 applicable funding year or in the absence of such a list from the  
3 FCC, as published by the Universal Services Administrative Company  
4 (USAC). In the event no ESL is available from the FCC or USAC for  
5 the applicable funding year, eligible services will be those on the  
6 ESL for the last funding year for which an ESL was available.

7 Special Universal Services for schools shall include the provision  
8 of bandwidth sufficient for providing educational services not to  
9 exceed, without good cause shown, the standards established for the  
10 relevant funding year by the State Educational Technology Directors  
11 Association (SETDA) or successor educational broadband standard  
12 including Internet access lines, WAN connections, reasonable  
13 installation, and network termination equipment owned and operated  
14 by the eligible provider that is necessary to provide the eligible  
15 service. Student counts as reported to the State Department of  
16 Education in October of the year prior to the relevant funding year  
17 shall be utilized for the purpose of determining bandwidth  
18 recommendations established by SETDA for purposes of this paragraph.

19 In the absence of standards prescribed for the applicable funding  
20 year, the standards for the next prescribed funding year shall be  
21 used. Special Universal Services for schools shall not include  
22 voice services that use separate lines or have allocated bandwidth.

23 The Commission may modify the service considered to be Special  
24

1 Universal Services for schools pursuant to rule, after notice and  
2 hearing; and

3 3. Each public library as defined in Section 139.102 of this  
4 title shall be eligible to receive Special Universal Services for  
5 libraries. Special Universal Services for libraries shall include  
6 the E-rate Eligible Services List (ESL) for Category One services as  
7 determined by the Federal Communications Commission (FCC) for the  
8 applicable funding year or in the absence of such a list from the  
9 FCC, as published by the Universal Services Administrative Company  
10 (USAC). In the event no ESL is available from the FCC or USAC for  
11 the applicable funding year, eligible services will be those on the  
12 ESL for the last funding year for which an ESL was available.

13 Special Universal Services for libraries shall include the provision  
14 of bandwidth sufficient for providing library services per standards  
15 as recommended by the FCC including Internet access lines,  
16 reasonable installation, and network termination equipment owned and  
17 operated by the eligible provider that is necessary to provide the  
18 eligible service. Special Universal Services for libraries shall  
19 not include voice services that use separate lines or have allocated  
20 bandwidth. The Commission may modify the services considered to be  
21 Special Universal Services for libraries pursuant to rule, after  
22 notice and hearing.

23 B. 1. Eligible services that are exempt from competitive  
24 bidding pursuant to state law or the rules of the Federal Universal

1 Service Support Mechanisms or successor program or programs shall be  
2 exempt from the Special Universal Services competitive bidding  
3 requirements set forth in this subsection. The Oklahoma Universal  
4 Service Fund Beneficiary shall provide evidence of such exemption as  
5 part of the funding request.

6 2. An Oklahoma Universal Services Fund Beneficiary may be  
7 eligible to receive funding from both the OUSF and other state or  
8 federal funds, provided in no instance shall there be a double  
9 recovery. The Oklahoma Universal Services Fund Beneficiary shall  
10 make every reasonable effort to obtain funding from another state or  
11 federal fund designed to support Special Universal Services. The  
12 Oklahoma Universal Services Fund Beneficiary shall provide the  
13 Administrator with information regarding the request for funding for  
14 the recipient from government sources designed to support the  
15 provisioning of Special Universal Services, an explanation of why  
16 the funding is not available or why the recipient of the Special  
17 Universal Service did not request the funding. Failure to provide  
18 the documentation may result in the Administrator denying in whole  
19 or in part, a request for Special Universal Service funding from the  
20 OUSF.

21 3. The credit amount for the provision of Special Universal  
22 Services as provided for in subsection A of this section shall be  
23 determined as provided for in this subsection.

24

1           4. An eligible provider shall be entitled to reimbursement from  
2 the OUSF for providing Special Universal Services as described in  
3 subsection A of this section. In no case shall reimbursement from  
4 the OUSF be made for an Internet subscriber fee or charges incurred  
5 as a result of services accessed via the Internet.

6           5. Oklahoma Universal Service Fund Beneficiaries shall conduct  
7 a fair and open competitive bidding process to select the services  
8 and carrier eligible for support. The competitive bidding process  
9 shall meet the following standards:

10           a. the solicitation of bids shall clearly identify the  
11                 bandwidth range requested by the Oklahoma Universal  
12                 Service Fund Beneficiary or consortium,

13           b. the Oklahoma Universal Service Fund Beneficiary shall  
14                 not limit bidders based upon technology,

15           c. the bidding shall be open to all carriers authorized  
16                 to receive OUSF funding in the telephone exchange  
17                 where the Oklahoma Universal Service Fund Beneficiary  
18                 is located or where the members of the consortium are  
19                 located, and

20           d. the bidding shall not be structured in a manner to  
21                 exclude carriers eligible to receive OUSF funding in  
22                 the telephone exchange where the Oklahoma Universal  
23                 Services Fund Beneficiary is located.

1           6. For eligible services that are competitively bid in  
2 compliance with paragraph 5 of this subsection, the credit amount  
3 shall be not more than twenty-five percent (25%) greater than the  
4 lowest cost reasonable qualifying bid of the total prediscount  
5 amount of eligible services plus installation charges, less federal  
6 funding support for the same services including installation charges  
7 issued in a funding commitment letter or similar approval document  
8 for the Federal Universal Service Support Mechanism or successor  
9 program or programs for the applicable funding year.

10           7. For purposes of this subsection, "lowest cost reasonable  
11 qualifying bid" means a bid that:

- 12           a. represents the lowest total cost proposal including  
13                 monthly recurring and nonrecurring charges for  
14                 eligible services,
- 15           b. is reasonable to meet the needs of the Oklahoma  
16                 Universal Service Fund Beneficiary as listed in the  
17                 request for bids,
- 18           c. is submitted during the same competitive bidding  
19                 period as the awarded bid,
- 20           d. is for a bandwidth within the range requested for in  
21                 the bid and selected by the Oklahoma Universal Service  
22                 Fund Beneficiary,

1 e. is for the same contract term as the bid that was  
2 selected by the Oklahoma Universal Service Fund  
3 Beneficiary,

4 f. meets the requirements specified in the request for  
5 bid by the Oklahoma Universal Service Fund  
6 Beneficiary,

7 g. was the result of a fair and open competitive bidding  
8 process as defined in this subsection.

9 8. If a long-term contract includes change clauses for changes  
10 in sites or services, the Oklahoma Universal Service Fund  
11 Beneficiary shall not be required to conduct a new competitive bid  
12 during the life of the original contract, which shall not exceed  
13 five (5) years.

14 9. For eligible services associated with an Oklahoma Universal  
15 Service Fund Beneficiary that does not competitively bid in  
16 compliance with this subsection, the credit amount shall be  
17 determined at the discretion of the Administrator.

18 C. 1. Special Universal Services shall not be sold, resold or  
19 transferred in consideration for money or any other thing of value.

20 2. The OUSF shall not fund more than one eligible provider for  
21 the same service at the same location for the same time period,  
22 except during a transition period from one eligible provider to  
23 another. Funding during a transition period shall not exceed thirty  
24 (30) days.

1 D. The Administrator shall have the authority to investigate  
2 each request for OUSF funding for Special Universal Services in  
3 order to ensure that the OUSF pays only for the Special Universal  
4 Services authorized in this section. The Administrator shall deny  
5 requests for OUSF funding in excess of the credit amounts authorized  
6 in subsection B of this section unless good cause is shown.

7 E. The Corporation Commission shall have authority to  
8 investigate and modify or reject in whole or part a request for a  
9 Special Universal Service request submitted under subsection A of  
10 this section if the request does not meet the specified criteria, if  
11 the investigation by the Commissions determines that the entity has  
12 not provided sufficient documentation for the requested services or  
13 if the Commission determines that granting the request is not in the  
14 public interest due to fraud.

15 F. 1. The Special Universal Services approval and  
16 reimbursement procedures as set forth in this subsection shall be  
17 effective and shall apply beginning January 1, 2017, and for each  
18 applicable funding year beginning July 1, 2017.

19 2. The Oklahoma Universal Service Fund Beneficiary  
20 administrative preapproval submission process shall be as follows:

21 a. the Administrator shall establish an administrative  
22 approval process to be initiated by the Oklahoma  
23 Universal Service Fund Beneficiary in a timely fashion  
24 for the purpose of determining eligible services and

1 credit amounts for the upcoming funding year. The  
2 administrative preapproval submission process shall  
3 include all necessary forms and instructions,  
4 hereinafter referred to as the OUSF administrative  
5 preapproval request. The Administrator shall  
6 determine the form for the OUSF administrative  
7 preapproval requests. The form shall be posted on the  
8 Commission website no later than June 30 of each year  
9 to become effective for any OUSF administrative  
10 preapproval requests submitted after August 31 of that  
11 year. Any party may file an objection to the form  
12 with the Commission within fifteen (15) days of  
13 posting. The Commission shall issue a final order on  
14 the objection to the form within thirty (30) days,  
15 b. the Administrator shall issue an approval funding  
16 letter to the Oklahoma Universal Service Fund  
17 Beneficiary and the eligible provider within ninety  
18 (90) days of receipt of a properly completed OUSF  
19 administrative preapproval request. Failure by the  
20 Administrator to issue an approval funding letter  
21 within the ninety-day period means the OUSF  
22 administrative preapproval request submitted by the  
23 Oklahoma Universal Service Fund Beneficiary is  
24 approved as submitted and the subsequent request for

1 reimbursement submitted by the eligible provider which  
2 is consistent with the information submitted in the  
3 OUSF administrative preapproval request shall be  
4 approved as submitted,

5 c. the approval funding letter shall inform the Oklahoma  
6 Universal Service Fund Beneficiary of the preapproved  
7 services and associated credit amount for the  
8 applicable funding year. The amount of OUSF funding  
9 preapproved under this subsection may be subject to  
10 adjustments based on the amount of support received  
11 from other sources, if any, and adjustments to pricing  
12 that may occur between the time of preapproval and  
13 installation of service,

14 d. any OUSF administrative preapproval request shall be  
15 submitted to the Administrator in the format outlined  
16 in instructions posted on the Commission website. The  
17 OUSF administrative preapproval request shall include  
18 but not be limited to the following:

19 (1) a Special Universal Services request form as  
20 posted on the Commission website no later than  
21 June 30 of each year for requests made after  
22 August 31 of that year,

23 (2) a Federal Universal Service Support Mechanism or  
24 successor program or programs form used to

1 request federal funding support for the  
2 applicable funding year,

3 (3) a federal funding commitment letter for the  
4 applicable funding year, if issued, and

5 (4) competitive bidding documentation for the  
6 relevant funding year,

7 e. issuance of an OUSF approval funding letter by the  
8 Administrator shall not require a Commission order,

9 f. OUSF administrative preapproval requests not filed by  
10 June 30 prior to the applicable funding year shall be  
11 processed by the Administrator on a first-in-first-out  
12 basis, and

13 g. after a preapproval funding letter has been issued, an  
14 Oklahoma Universal Services Fund Beneficiary may  
15 submit a new administrative preapproval request to  
16 provide corrections or additional information per  
17 program rules.

18 3. The eligible provider reimbursement process shall be as  
19 follows:

20 a. requests for reimbursement shall be submitted per  
21 procedures as set forth in subsection D of Section  
22 139.106 of this title,

23 b. the Administrator shall post the monthly payout report  
24 to the Commission website,

1 c. funding for eligible services, including federal  
2 funding, shall not exceed actual eligible expenses,

3 d. any change in cost of eligible services during the  
4 funding year shall be reported by the eligible  
5 provider to the OUSF and:

6 (1) all decreases in cost shall be deemed approved  
7 until the next eligible bidding period and all  
8 cost savings shall be properly allocated to the  
9 OUSF and the Oklahoma Universal Service Fund  
10 Beneficiary, and

11 (2) increases in cost shall be reviewed for approval  
12 as provided for in Commission rules, and

13 e. issuance of a determination by the Administrator shall  
14 not require a Commission order."

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